



PUBLIC NOTICE

Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

2001 OCT 15 P 5:13

News Media Information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
TTY 202 / 418-2555
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

RECEIVED

DA 01-2335

Released: October 9, 2001

COMMISSION SEEKS COMMENT ON APPLICATION FOR CONSENT TO TRANSFER CONTROL FILED BY VALOR TELECOMMUNICATIONS ENTERPRISES II, LLC AND KERRVILLE COMMUNICATIONS CORPORATION, INC.

PLEADING CYCLE ESTABLISHED

CC Docket No. 01-286

On September 19 and 20, 2001, Valor Telecommunications Enterprises II, LLC ("Valor") and Kerrville Communications Corporation, Inc. ("Kerrville") (collectively, "the Applicants"), filed applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended ("the Act"), 47 U.S.C. §§ 214, 310(d), requesting Commission approval to transfer control to Valor of Commission licenses and authorizations held by Kerrville to provide domestic and international telecommunications services.¹ Specifically, Applicants request Commission approval to transfer control of wireless licenses and domestic and international authorizations held by Kerrville and its subsidiaries, to Valor.² Under the terms of the proposed transfer of control, Kerrville will become a direct wholly owned subsidiary of Valor. Pursuant to agreement, Kerrville will continue the provision of telecommunications services, including provision of interstate domestic services.

¹ See Application of Kerrville Communications, Inc. and Valor Telecommunications Enterprises II, LLC, for Consent to Transfer of Control of Corporations Holding Commission Authorizations Pursuant to Section 214 of the Communications Act, CC Docket No. 01-286 (filed Sept. 20, 2001); Applications for Assignment of Authorization and Transfer of Control of Kerrville Communications Corporation, Inc. to Valor Telecommunications Enterprises II, LLC, File Nos. 0000589992, 0000590139, 0000590512, 0000590096, and 0000590127.

² The Applicants have filed a separate application with the Commission's International Bureau to transfer control of Kerrville's international section 214 authorization. See Application for Consent to Transfer Control of Advanced Tel-Com Systems Corporation d/b/a Kerrville Telephone Long Distance from Kerrville Communications Corporation to Valor Telecommunications Enterprises II, LLC (File Nos. ITC-T/C 20010920-00489 and ITC-T/C20010920-00490). The application for consent to transfer control to Valor of international section 214 authority held by Kerrville was found, upon initial review, to be acceptable for filing and subject to the streamlined processing procedures set forth in section 63.12 of the Commission's rules. See *Streamlined International Applications Accepted for Filing*, Report No. TEL-00447S (rel. Sept. 28, 2001); see also 47 C.F.R. § 63.12.

Kerrville is a privately owned, diversified telecommunications service provider based in Kerrville, Texas. Kerrville provides communications services, including local exchange services to residential and business customers in the state of Texas, microwave transmission services, long distance international services, leasing and maintenance services, and cellular service to its customers through four wholly-owned subsidiaries: Kerrville Telephone Company ("KTC"); KCC TelCom Inc., d/b/a K2C TelCom ("K2C"); Advanced Tel-Com Systems Corporation ("ATS"); and Kerrville Cellular, Inc. ("KCI").

KTC is a rural local exchange carrier that provides wireline local exchange service to residential and business customers in Texas under the Certificate of Convenience and Necessity issued to KTC by the Texas Public Utility Commission, and under the provisions of the KTC Tariff. As of June 30, 2001, KTC served a total of 26,338 access lines in its two exchanges. Currently, KTC is the only provider of local exchange service in its service areas.

K2C recently began providing competitive local exchange service in Boerne, Texas pursuant to a Certificate of Operating Authority issued by the Texas Public Utility Commission. As of July 31, 2001, K2C served a total of thirty access lines in the Boerne exchange.

Valor, a Delaware corporation, is a privately held limited liability company created for the specific purpose of acquiring Kerrville and its subsidiaries. Valor is a wholly owned subsidiary of Valor Telecommunications, LLC ("Valor Telecom"). Valor Telecom, a Delaware corporation, is a privately held limited liability corporation that provides a wide-range of telecommunications services in four states through various subsidiaries.

Valor Telecom is the ultimate parent of three local exchange carriers (collectively, "the Valor ILECs") that own and operate approximately 540,000 local access lines and provide communications services primarily in rural communities in New Mexico, Oklahoma, Texas, and Arkansas. Valor is also the ultimate parent of certain other subsidiaries, including Valor Telecommunications LD, LLC (a provider of interexchange services), Valor Telecommunications ISP, LLC (an information services provider), and Valor Business Solutions, LLC (a competitive LEC currently operating in five Texas markets). Valor Business Solutions, LLC, through its subsidiaries, currently has authority to offer service in eleven states, but only provides service in Texas, where it serves 1,813 lines.

The Applicants assert that the purchase of Kerrville by Valor will serve the public interest by affording existing Kerrville customers innovative and cost-effective services. The Applicants further state that existing customers will suffer no adverse impact as a result of the transaction, that the proposed transaction would not harm competition in any relevant market, that the applicants are currently not actual or potential competitors, and that the incumbent local exchange carrier operations are not adjacent to each other.

TRANSFER OF CONTROL APPLICATIONS

The applications for transfer of control listed below include wireless licenses and a domestic Section 214 authorization. Below is a non-exhaustive list of the authorizations and license applications involved in this transaction. Interested parties should refer to the Applications for Consent to Transfer Control filed in CC Docket No. 01-XXX for a complete listing of Kerrville's licenses and authorizations.

SECTION 310 APPLICATIONS

Part 22 — Paging and Radiotelephone Service, Cellular, and Basic Exchange Telecommunications Radio Service

The following applications for consent to transfer control from Kerrville to Valor have been assigned the following file numbers.

<u>File Number</u>	<u>Licensee</u>	<u>Call Sign</u>
0000589992	Kerrville Telephone Company	KFJ892
0000589992	Kerrville Telephone Company	KNKJ468
0000950139	Texas RSA 15B2 Limited Partnership	KNK691
0000590512	CGKC&H Rural Limited Cellular L.P.	KNKQ403
0000589992	Kerrville Telephone Company	WAD90

Part 90 — Industrial/Business Pool, Conventional

The following application for consent to transfer control from Kerrville to Valor has been assigned the following file number.

<u>File Number</u>	<u>Licensee</u>	<u>Call Sign</u>
0000589992	Kerrville Telephone Company	KXJ946

Part 101 – Point-to-Point Microwave

<u>File Number</u>	<u>Licensee</u>	<u>Call Sign</u>
0000590096	Advanced Tel-Com Systems Corp.	WLN891
0000590096	Advanced Tel-Com Systems Corp.	WLN894
0000590096	Advanced Tel-Com Systems Corp.	WLN895
0000590096	Advanced Tel-Com Systems Corp.	WLN899
0000590096	Advanced Tel-Com Systems Corp.	WLN902
0000590127	CGKC&H Rural Cellular L.P.	WPJA758
0000590127	CGKC&H Rural Cellular L.P.	WPJA759
0000590127	CGKC&H Rural Cellular L.P.	WMG749

<u>File Number</u>	<u>Licensee</u>	<u>Call Sign</u>
0000590127	CGKC&H Rural Cellular L.P.	WMG750
0000590127	CGKC&H Rural Cellular L.P.	WMG751
0000590127	CGKC&H Rural Cellular L.P.	WMG752
0000590512	CGKC&H Rural Cellular L.P.	WMG828
0000590512	CGKC&H Rural Cellular L.P.	WMG829

DOMESTIC SECTION 214 APPLICATION

Part 63 – Domestic Service (47 C.F.R. § 63.01)

Kerrville and Valor have filed a joint application pursuant to section 214 of the Act for Valor to acquire and operate domestic transmission lines held by Kerrville.

GENERAL INFORMATION

The transfer of control requests identified herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file petitions to deny within 30 days following the release of this Public Notice.³ Final action will not be taken on the applications earlier than 31 days following the date of this Public Notice.⁴

All filings concerning any or all matters in this Public Notice should refer to **CC Docket No. 01-286**. An original and 4 copies of all pleadings, in accordance with Section 1.51(c) of the Commission's rules, 47 C.F.R. § 1.51(c), must be filed with the Commission's Secretary, Magalie Roman Salas, 445 12th Street, S.W., TW-B204, Washington, D.C. 20554. In addition, one copy of each pleading must be delivered to each of the following: (1) Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C., 20554, telephone (202) 863-2893, facsimile (202) 863-2898; (2) Janice Myles, Common Carrier Bureau, 445 12th Street, S.W., 5-B145, Washington, D.C. 20554; (3) Nandan Joshi, Office of General Counsel, 445 12th Street, S.W., 8-A820, Washington, D.C. 20554; and (4) Jeff Tobias, Wireless Telecommunications Bureau, 445 12th Street, S.W., 2-C828 Washington D.C. 20554.

In addition to filing paper comments, parties may also file comments using the Commission's Electronic Comment Filing System (ECFS). *See* Electronic Filing of Documents in Rulemaking Proceedings, 63 Fed. Reg. 24,121 (1998). Comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/e-file/ecfs.html>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking

³ *See, e.g.*, 47 C.F.R. § 63.52(c) and 47 C.F.R. § 1.939(a)(2).

⁴ *See* 47 C.F.R. § 63.52(b); 47 U.S.C. § 309(b).

numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To obtain filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties are also encouraged to file a copy of all pleadings on a 3.5 inch diskette in an IBM-compatible format using Microsoft Word 97 for Windows software in "read only" mode. Diskette submissions should be in addition to and not a substitute for, the hard copy filing requirement reviewed above. All diskettes should be clearly labeled with : (1) the party's name; (2) the name of the proceeding and docket number; (3) the type of filing submitted (*e.g.*, comments or oppositions); and (4) the date of submission. The diskettes should be accompanied by a cover letter and filed with CeCi Stephens, Policy and Program Planning Division, Common Carrier Bureau, 445 12th Street, S.W., 5-C140, Washington, D.C. 20554.

This document may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C., 20554, telephone (202) 863-2893, facsimile (202) 863-2898, or via e-mail qualexint@aol.com. In addition, the applications filed under Parts 22, 90, and 101 of the Commission's rules are available electronically through the Wireless Telecommunications Bureau's Universal Licensing System, which may be accessed on the Commission's Internet site at <http://www.fcc.gov>.

For further information, contact Suzon Cameron, Policy and Program Planning Division, Common Carrier Bureau at (202) 418-1439.